

EXHIBIT 2

Democrats add farm debt relief to climate funding as Senate passage nears

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A revised climate funding package Democrats are pushing through the Senate this weekend scraps a debt relief program for minority farmers that was blocked by the courts and replaces it with new programs earmarked for “distressed” USDA borrowers as well as farmers the department has discriminated against.

The new version of the bill (http://www.agripulse.com/ext/resources/pdfs/inflation_reduction_act_of_2022-212.pdf), dubbed the Inflation Reduction Act, earmarks \$3.1 billion for aid to distressed holders of guaranteed and direct loans.

Another \$2.2 billion would be provided for payments of up to \$500,000 each to farmers who “experienced discrimination” prior to Jan. 1, 2021, in USDA farm lending programs. The payments would be based on “consequences experienced from the discrimination.”

The original debt relief program that was part of the American Rescue Plan Democrats forced through Congress in 2021 (https://www.agri-pulse.com/search?exclude_datatypes%5B%5D=directory&exclude_datatypes%5B%5D=classified&exclude_datatypes%5B%5D=file&page=8&q=%22minority+farmers%22&user_id=6) offered payments worth 120% of a minority farmers' loan balance. Several judges ruled that basing the loan forgiveness on a farmer's race was unconstitutional (<https://www.agri-pulse.com/articles/16022-usda-halts-minority-farmer-debt-relief-after-judges-order>). USDA made nearly \$1 million in forgiveness payments before the program was shut down.

USDA would have through fiscal 2031 to use the new funding.

The legislation cleared a key hurdle Saturday evening when Vice President Kamala Harris broke a 50-50 tie to bring the revised text up for debate. A final vote was not expected before early Sunday after debate on a series of largely symbolic votes on GOP amendments.

"This is one of the most comprehensive and impactful bills Congress has seen in decades: it will reduce inflation, it will lower prescription drug costs, it will fight climate change, it will close tax loopholes, and it will reduce—reduce—the deficit," said Senate Majority Leader Charles Schumer, D-N.Y. Republicans countered that the bill would do virtually nothing to reduce inflation and would impose new taxes that would indirectly affect middle-class Americans.

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The legislation, which represents a major win for President Joe Biden's goal of slashing U.S. greenhouse gas emissions in half by 2030, includes more than \$20 billion to expand the adoption of climate-related farming practices, plus another \$20 billion in USDA-run energy and forestry programs.

The bill's clean energy tax incentives include a new clean fuels tax credit for low-carbon biofuels.

Democrats from western states also secured in the revised bill [\\$4 billion in funding for the Bureau of Reclamation to help water users cope with the impact of drought](#).

The revised bill also replaces some other assistance in the American Rescue Plan earmarked for underserved farmers.

The provisions would provide \$125 million for outreach, mediation, financial training and other assistance on "issues concerning food, agriculture, agricultural credit, agricultural extension, rural development, or nutrition to underserved farmers, ranchers, or forest landowners, including veterans, limited resource producers, beginning farmers and ranchers, and farmers, ranchers, and forest landowners living in high poverty area."

The bill would provide another \$250 million in grants and loans to organizations that help improve land access for underserved farmers, ranchers and forest landowners.



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